



FILED

12-15-15
04:59 PM

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Application of Southern California Edison
Company (U 338-E) for Approval of its Energy
Savings Assistance and California Alternate
Rates for Energy Programs and Budgets for
Program Years 2015-2017.

And Related Matters.

Application 14-11-007
(Filed November 18, 2014)

A.14-11-009
A.14-11-010
A.14-11-011

In the Matter of Application of Southwest Gas
Corporation (U905G) for Approval of Low-
Income Programs and Budgets for Program Years
2015-2017.

And Related Matters.

(Not Consolidated)
Application 15-02-001

A.15-02-002
A.15-02-003
A.15-02-013
A.15-02-024
A.15-03-004

SOUTHERN CALIFORNIA EDISON COMPANY'S (U338-E)
NOTICE OF *EX PARTE* COMMUNICATION

JANET S. COMBS
ANGELICA MORALES

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4435
Facsimile: (626) 302-6693
E-mail: Angelica.Morales@sce.com

Dated: **December 15, 2015**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Application of Southern California Edison Company (U 338-E) for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2015-2017.	Application 14-11-007 (Filed November 18, 2014)
And Related Matters.	A.14-11-009 A.14-11-010 A.14-11-011
In the Matter of Application of Southwest Gas Corporation (U905G) for Approval of Low-Income Programs and Budgets for Program Years 2015-2017.	(Not Consolidated) Application 15-02-001
And Related Matters.	A.15-02-002 A.15-02-003 A.15-02-013 A.15-02-024 A.15-03-004

SOUTHERN CALIFORNIA EDISON COMPANY'S (U338-E)
NOTICE OF *EX PARTE* COMMUNICATION

In accordance with Rules 8.2, 8.3, and 8.4 of the Commission's Rules of Practice and Procedure, Southern California Edison Company ("SCE") hereby gives notice of the following *ex parte* communication in the above proceedings with Commissioner Catherine Sandoval as a follow up to the October 29, 2015 Low Income Oversight Board ("LIOB") Quarterly Meeting.

On Monday, December 14, 2015, SCE served the attached letter to Board Members of the LIOB which includes Commissioner Catherine Sandoval. The letter was requested by Commissioner Sandoval as part of a follow up request from the October 29, 2015 regular LIOB meeting. The meeting was noticed as an all-party meeting in the proceedings referenced in this

filing. The letter is being concurrently served on the same proceeding service lists. A copy of the letter is attached to this notice.

To receive a copy of this *ex parte* notice, please contact Angelica Morales at the contact information indicated below and on the cover sheet of this notice.

Respectfully submitted,

JANET S. COMBS
ANGELICA MORALES

/s/ Angelica Morales

By: Angelica Morales

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-4435
Facsimile: (626) 302-6693
E-mail: Angelica.Morales@sce.com

DATE: December 15, 2015

Attachment A

LETTER TO LOW INCOME OVERSIGHT BOARD

December 14, 2015

Mr. Robert Castaneda
Chair – Low Income Oversight Board
Proteus, Inc.
1830 N. Dinuba Blvd.
Visalia, CA 93291

Dear Mr. Castaneda:

During SCE's presentation at the October 29, 2015 Low Income Oversight Board (LIOB) Meeting, SCE was asked by Commissioner Sandoval to send a letter to Board Members in response to three issues: (1) Explanation of the Percentage of Expenditures for Measures in the Projected Year-End and Unspent Funds Table; (2) 2015 ESA measures program experience; and (3) Challenges in meeting homes treated goal due to existing policies. SCE provides responses to these issues below.

Percentage of Measures Expenditures

During SCE's presentation at the LIOB meeting, SCE provided the "Projected Year-End Expenditures and Unspent Funds" table (*provided below for convenience*) wherein the LIOB Board Members expressed concern with the percentage identified in the "Measures" category. SCE seeks to clarify that from 2009-2014, SCE has expended 80 percent of its total Measures budget. The 20 percent identified in the table represents the 20 percent unspent within the "Measures" budget category and not a total spend of 20 percent.

2009 - 2014	Total Unspent 2009 - 2014	Unspent as Percent Of Authorized	2009 - 2014 Explanation
Measures	\$71,211,022	20%	SCE underspent in all years except 2010. Reasons for underspending include: <ul style="list-style-type: none"> Nearly doubling budget in 2009 requiring workforce expansion Meeting homes treated goal in 2011 while underspending by \$13 million 2012 month-to-month bridge period created great program uncertainty In 2013 and 2014 factors include customer unwillingness and the Modified Three Measure Minimum Rule
Local & Statewide Marketing	\$3,863,803	65%	
Regulatory Compliance	\$1,154,126	39%	
General Administration	\$9,024,771	33%	
CPUC Energy Division	\$298,835	63%	
Other	\$2,666,273	24%	
Total	\$88,218,830	22%	

1515 Walnut Grove Ave., Rosemead, California 91770
(626) 302-0720 PHONE
(626) 302-6131 FAX

2015 ESA Measures Program Experience

At the LIOB meeting, SCE was asked if the direction provided in the low income guidance document¹ has resulted in SCE's ability to install more measures. For 2015, there has not been any fundamental change in SCE's installation measure experience. SCE proposed program and policy changes (Elimination of the Go back Rule and Modified Three Measure Minimum Rule) in its 2015-2017 ESA and CARE Program Plans and Budget Application to provide additional opportunities to install cost-effective, energy efficient measures for SCE's low-income customers. However, SCE continues to operate under existing policy parameters until a final decision is issued on its application.

Challenges in Meeting Homes Treated Goal

SCE was asked to provide the challenges that it is experiencing in meeting the ESA Homes treated goal of 87,389 homes. There are two primary challenges in meeting the ESA Homes Treated goal – customer unwillingness to participate in the program and policy issues regarding the Go Back Rule and the Three Measure Minimum (3MM) Rule.

A primary challenge to SCE's ability to reach the homes treated goal is the continuation of the five percent unwillingness factor for the 2012-2014 program cycle² in setting the homes treated goal. The estimated unwillingness factor, based on the 2013 Low Income Needs Assessment³ is roughly 48 percent as opposed to the 5 percent identified via data collected in 2005 for the prior Low Income Needs Assessment. For 2016 and 2017, SCE proposed an ESA homes treat goal of 54,000 based on the current unwillingness to participate forecast.⁴

Another significant challenge to reaching the homes treated goal is addressed in SCE's 2015-2017 ESA & CARE Program Plan and Budget Proposals Testimony and Rebuttal Testimony policy considerations for the "Go-Back" and "Three Measure Minimum (3MM) Rules that would allow SCE to install much needed energy efficiency measures in low-income households within SCE's service territory. Following are excerpts from the Prepared Rebuttal Testimony of SCE's witness Tory Weber in Application (A.) 14-11-007 which describes SCE's proposals for Commission consideration of the "Go-Back" and "Three Measure Minimum (3MM) Rules:

SCE Supports Elimination of the Go Back Rule

As advances in technology have led to the introduction of new measures in the ESA Program, customers have benefitted from these new opportunities to reduce usage and save money on their bills. Even if these customers received prior services under the ESA Program, they should not be denied the opportunity to

¹ Decision (D.) 14-08-030 - Phase II Decision on the Large Investor-Owned Utilities 2012-2014 Energy Savings Assistance (ESA) Program and California Alternate Rates for Energy (CARE) Program Applications, Attachment Q – Guidance Document for the Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets Application for the 2015-2017 PYs, issued August 20, 2014.

² D. 12-08-044, Ordering Paragraph (OP) 116, p. 408.

³ Evergreen Economics, Needs Assessment for the Energy Savings Assistance and the California Alternate Rates for Energy Programs, Volume 1: Summary Report, Final Report, and December 16, 2013. Prepared for Southern California Edison Company, Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas and Electric Company, and the California Public Utilities Commission, pp. 3-12 through 3-13.

⁴ See SCE-02, p.20, lines 16-17.

receive the newer, more efficient measures available from the program when contractors are already in the home.⁵

SCE Supports Elimination of the Modified 3MM Rule

SCE agrees with ORA's concern and proposes the elimination or modification of the Modified 3MM Rule.⁶ The intent of SCE's recommendation is to maximize energy savings and serve additional customers, while increasing the overall cost-effectiveness of the program. Under SCE's proposal, contractors will be allowed to install all feasible "simple" electric measures, which are highly cost-effective (e.g. CFLs, smart power strip, and Torchiere lamps) during the initial visit.

Additionally, customers will receive the benefit of energy education when they meet income qualifications for the program but fail to meet the Modified 3MM Rule.⁷ ESA Program energy education assists customers by providing them with important information on how to conserve and make smart energy decisions that will save money on their energy bill. Energy education will also be an important tool to provide information on efficient ways to conserve water and participate in the response to California's drought.⁸

If you have any questions, please contact Sheila Lee at: Sheila.lee@sce.com.

Sincerely,



Roberto Del Real
Manager, ESA program

cc: LIOB Members
Commissioner Catherine J.K. Sandoval
Ms. Patricia Watts
Mr. Jose Atilio Hernandez
Ms. Ortensia Lopez
Mr. Jason Wimbley
Mr. Dave Stephenson
Mr. Benito Delgado-Olson
Ms. Charlie Toledo
Mr. Daniel Rendler
Mr. Larry Gross
Ms Zaida Amaya, Energy Division
Ms. Sheila Lee, SCE
Service List A.14-11-007 et al and A.15-02-001 et al.

⁵ SCE Rebuttal Testimony, p. 16.

⁶ See SCE-02, p. 74.

⁷ Creating an exception to the Modified 3MM Rule during the initial visit would increase energy savings in single-family dwellings, but would continue to pose needless hurdles in administering service delivery to multi-family properties.

⁸ SCE Rebuttal Testimony, pp. 14-15.